

## Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11  
STR-07 AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02  
OPIC-03 LAB-04 SIL-01 OMB-01 EUR-12 ACDA-12 /124 W  
-----124013 191206Z /53

R 190922Z JUN 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 8936  
INFO AMEMBASSY SEOUL  
AMEMBASSY TAIPEI  
AMCONSUL HONG KONG  
USLO PEKING  
CINCPAC HONOLULU HI

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CINCPAC ALSO FOR POLAD

E.O. 11652: N/A  
TAGS: PINT, PEPR, CH, PEPR, JA  
SUBJECT: PRIME MINISTER'S UPBEAT PRESS CONFERENCE

SUMMARY: IN UNUSUALLY UPBEAT WEEKEND PRESS CONFERENCE,  
PRIMIN FUKUDA SAID HE THOUGHT THAT JAPAN-CHINA PFT  
NEGOTIATIONS WOULD RESUME SHORTLY, THAT BONN SUMMIT WOULD  
BE SUCCESS, AND JAPAN'S ECONOMY WAS WELL ON WAY TO  
RECOVERY. HE DENIED INTENTION OF CALLING ELECTION IN  
FALL BUT SAID THAT EXTRAORDINARY DIET SESSION WAS LIKELY.  
IF FUKUDA DOES INTEND TO CALL ELECTION IN FALL, WE CAN  
EXPECT HIM TO CONTINUE TO TAKE THIS UNUSUALLY POSITIVE  
LINE. END SUMMARY.

1. AS IS TRADITIONAL AFTER CONCLUSION OF REGULAR DIET  
SESSION, PM FUKUDA HELD TELEVISED Q AND A SESSION WITH  
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PRESS JUNE 17. AS THEY HAVE FOR MONTHS, JOURNALISTS  
ZEROED IN ON GOJ'S RESUMPTION OF NEGOTIATIONS WITH CHINA  
OVER PEACE AND FRIENDSHIP TREATY, AND ELICITED NEWS THAT  
AMBASSADOR SATO EXPECTED TO MEET WITH VICE MINISTER HAN  
IN PEKING ABOUT JULY 3. FUKUDA STATED THAT "ONCE NEGOTIA-  
TIONS WERE RESUMED, I DON'T WANT TO WASTE MUCH TIME."  
HOWEVER, FUKUDA ALSO STRESSED THAT CONCLUSION OF TREATY

WOULD REQUIRE CONCESSIONS FROM BOTH SIDES TO PRODUCE MUTUALLY AGREEABLE DOCUMENT. FONMIN SONODA WOULD BE DISPATCHED TO PEKING ONLY IF NEGOTIATIONS RAN INTO DIFFICULTIES.

2. ON ECONOMIC TOPICS, PM FUKUDA SAID HE HOPED TOKYO ROUND OF TRADE TALKS WOULD BE SUBSTANTIALLY CONCLUDED BY JULY, SINCE THIS WOULD CONTRIBUTE TO ACHIEVEMENT OF MAJOR SUMMIT OBJECTIVE OF CHECKING GROWTH OF PROTECTIONIST SENTIMENT AMONG INDUSTRIALIZED NATIONS. IN WHAT MAY TURN OUT TO BE FORETASTE OF APPROACH HE WILL TAKE IN BONN, FUKUDA STRESSED POSITIVE PERFORMANCE OF JAPANESE ECONOMY COMPARED WITH OTHER ADVANCED COUNTRIES, I.E., HIGHEST GNP GROWTH RATES IN OECD COMBINED WITH ONE OF LOWEST INFLATION RATES. HE NOTED THAT GOJ HAD TAKEN STEPS TO LESSEN ITS TRADE SURPLUS BUT SAID THAT FURTHER REDUCTION OF SURPLUS WOULD REQUIRE BETTER PERFORMANCE IN FIGHT AGAINST INFLATION BY JAPAN'S TRADING PARTNERS. HE SAID "...WE FINALLY SEE RAY OF ECONOMIC RECOVERY AND ARE CERTAIN THAT TARGET ECONOMIC GROWTH OF 7 PERCENT WILL BE ACHIEVED DURING THIS FISCAL YEAR."

3. PRIMIN HAD HELD TETE-A-TETE WITH LDP SEC GEN OHIRA EARLIER IN DAY AND AT PRESS CONFERENCE ANNOUNCED THAT THEY HAD AGREED TO REFRAIN FROM CAMPAIGNING FOR DECEMBER PARTY PRESIDENTIAL ELECTIONS UNTIL OCTOBER TO LIMITED OFFICIAL USE

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AVOID DISRUPTING LDP UNITY WHILE IMPORTANT ECONOMIC AND FOREIGN POLICY ISSUES SUCH AS PFT REMAIN OUTSTANDING. FUKUDA ALSO SAID HE AND OHIRA HAD NOT DISCUSSED CALLING OF POSSIBLE ELECTIONS AND REPLIED "HEAVENS NO" WHEN ASKED ABOUT WIDESPREAD SPECULATION HE WAS PLANNING FALL ELECTIONS. HE SAID, HOWEVER THAT CALLING OF EXTRAORDINARY SESSION OF DIET EITHER TO PASS SUPPLEMENTARY BUDGET OR TO RATIFY CHINA TREATY WAS QUITE POSSIBLE.

4. COMMENT: FUKUDA'S CHIEF POLITICAL GOALS OVER NEXT FEW WEEKS APPEAR TO BE SUCCESSFUL SUMMIT MEETING IN BONN AND ATTENDANT PUBLICITY PLUS RESUMPTION OF PROGRESS OR AT LEAST MOTION IN NEGOTIATIONS WITH CHINA ON PFT. THROUGHOUT HIS PRESS CONFERENCE, USUALLY LOW-KEY FUKUDA SEEMED TO BE DELIBERATELY DOING HIS BEST TO ACCENTUATE POSITIVE IN STRESSING AMOUNT OF BUSINESS DONE IN DIET SESSION, ECONOMY'S IMPROVED PERFORMANCE, AND CHANCES OF PFT SIGNATURE. IF, AS MANY SPECULATE FUKUDA HOPES TO DISSOLVE DIET IN SEPTEMBER AND CALL ELECTIONS FOR OCTOBER, WE CAN EXPECT HIM TO CONTINUE TO TAKE THIS UNUSUALLY POSITIVE LINE THROUGHOUT SUMMER. MANSFIELD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRIME MINISTER, PRESS CONFERENCES  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
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**Disposition Date:** 20 Mar 2014  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Subject:** PRIME MINISTER'S UPBEAT PRESS CONFERENCE SUMMARY: IN UNUSUALLY UPBEAT WEEKEND PRESS CONFERENCE, PRIMIN  
FUKUDA SAID HE THOUGHT THAT JAPAN-CHINA PFT  
**TAGS:** PINT, PEPR, CH, JA  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014